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C O N F I D E N T I A L SECTION 01 OF 02 VILNIUS 001496

SIPDIS

STATE FOR EUR/NB

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TAGS: [PGOV](#) [PREL](#) [LH](#)

SUBJECT: LITHUANIAN PRESIDENT FORCES CABINET SHAKE-UP

REF: A. VILNIUS 1455

[1](#)B. 12/03 COHEN-CEFKIN EMAIL

Classified By: Pol/Econ Officer Christian Yarnell
for Reasons 1.4 (b) and (d)

[1](#)1. (C) Summary: President Valdas Adamkus scored a major political victory on December 7, forcing the ruling coalition of PM Algirdas Brazauskas to replace two Cabinet candidates. Viktoras Muntianas and Rimantas Vaitkus are now out of the line-up, and, if cleared by investigative services, Labor Party member Gintaras Furmanavicius and Social Democrat Juozas Antanavicius will serve as Interior Minister and Education Minister, respectively. Adamkus signed a decree on the appointment of a new government on December 7, with parliamentary approval expected early during the week of December 13. The nomination of Furmanavicius as Interior Minister is a concern, as he has links to indicted swindler Gintaras Petrikas, who is currently facing extradition proceedings in California. End Summary.

Victory for President

[1](#)2. (U) Prime Minister Algirdas Brazauskas, after a four-hour negotiating session with President Valdas Adamkus and Labor Party leader Viktor Uspaskich on December 7, yielded to the President's concerns on the proposed Cabinet (refs A and B) and agreed to replace two of his proposed Ministers. Adamkus had singled out these two candidates, Viktoras Muntianas, Labor Party candidate for Interior Minister, and Rimantas Vaitkus, Social Democratic candidate for Education Minister, as being particularly problematic in the eyes of the Presidency (ref A). Labor Party head Viktor Uspaskich announced that Muntianas, now excluded from the Cabinet, would instead receive one of the five Deputy Speaker of Parliament positions.

[1](#)3. (C) The coalition's concession on the Cabinet was a major victory for Adamkus, who is riding high here thanks in large part to his role as mediator in Ukraine. Political analysts describe Adamkus's victory as a coup of sorts, as the Lithuanian Constitution does not explicitly provide the President with substantive powers over the formation of the Cabinet. Uspaskich had threatened to withdraw to the opposition if Adamkus did not approve Muntianas, his deputy in the Party and former mayor of Uspaskich's hometown of Kedainiai. One of Adamkus's domestic policy advisors and member of the negotiating team told us that the Presidency was in fact "surprised" by the result and had not expected the coalition to yield on Muntianas.

Revised Cabinet List

[1](#)4. (U) Adamkus signed a decree on the appointment of a new government immediately following the announcement. Adamkus will meet the compromise Cabinet candidates -- Gintaras Furmanavicius (Labor), now proposed for Minister of Interior, and Juozas Antanavicius (Social Democrat), candidate for Minister of Education -- on Friday, December 10 following his return from the Baltic Trade Investment Mission in London. The pair will also have to pass a screening by Lithuania's Special Investigative Service (STT). Adamkus will likely present the decree to Parliament without delay, however, and most observers expect Parliament to confirm the new Cabinet and its program early in the week of December 13.

[1](#)5. (U) The revised list of Cabinet members is as follows:

-- Prime Minister:	Algirdas Brazauskas (Social Democrat)
-- Agriculture:	Kazimiera Prunskiene (Peasant Party)
-- Culture:	Vladimiras Prudnikovas (Labor)
-- Defense:	Gediminas Kirkilas (Social Democrat)
-- Economy:	Viktor Uspaskich (Labor)
-- Education:	Juozas Antanavicius (Social Democrat)
-- Environment:	Arunas Kundrotas (Social Democrat)
-- Finance:	Algirdas Butkevicius (Social Democrat)
-- Foreign Affairs:	Antanas Valionis (New Union)
-- Health:	Zilvinas Padaiga (Labor)
-- Interior:	Gintaras Jonas Furmanavicius (Labor)

-- Justice: Gintautas Buzinskas (Labor)
-- Labor: Vilija Blinkeviciute (New Union)
-- Transportation: Zigmantas Balcytis (Social Democrat)

Controversial Interior Minister

16. (SBU) Furmanavicius, formerly in charge of public relations for telecommunications giant Lietuvos Telekomas and with no previous government or law enforcement experience, is himself a controversial figure. From 1992-1997, Furmanavicius occupied a key post in the Lithuanian firm EBSW, working closely with EBSW owner Gintaras Petrikas. Petrikas is wanted in Lithuania for embezzling over 80 million litas (approximately 30 million USD) as head of EBSW. Petrikas fled to the United States to avoid arrest, but Californian authorities arrested him in May. Petrikas is currently fighting extradition proceedings in Los Angeles.

17. (C) Adamkus stated that he knew of Furmanavicius's work for EBSW but that, according to the Presidency's information, "there is no direct responsibility of his for the holding's activities." One of the President's advisors told us that they do not expect any difficulties with Furmanavicius's candidacy, sans a red flag from the STT. Should the STT determine that Furmanavicius is unfit to serve as a Cabinet minister, he noted, the coalition would have to find "a replacement to the replacement."

Comment: Furmanavicius' Link to Petrikas a Concern

18. (C) Despite Furmanavicius's checkered past, he is likely to pass the screening of the investigative services. Ironically, as Minister of Interior, Furmanavicius would have a role in executing the extradition of his old colleague Petrikas, an important goal for us and the Lithuanian authorities. There is a real possibility that a conflict of interest could affect the celerity and vigor with which the GOL pursues Petrikas's extradition. We will continue to work with the GOL in order to complete the extradition.
Kelly